



# Louisiana Housing Finance Agency

The following resolution was offered by Commissioner J. Mark Madderra and seconded by Commissioner Guy T. Williams:

## RESOLUTION

**A resolution approving an amendment of the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans to take advantage of the provisions of the American Recovery and Reinvestment Act of 2009 (the "Stimulus Bill") to distribute competitively a portion of the Capital Funds and the Treasury Grants under the Stimulus Bill while simultaneously increasing funds available to low-income housing projects with allocated credits on a priority basis (i) first, with inefficient syndications and (ii) second, under construction with cost overruns; and providing for other matters in connection therewith.**

**WHEREAS**, the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency") approved the publication of a Notice of Public Hearing relating to an amendment to the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans to provide for the reprocessing of projects with allocated credits to take advantage of the provisions of the Stimulus Bill to competitively distribute a portion of the Capital Funds (approximately \$25 million) and the exchange of Treasury Grants for a return of low-income housing credits while simultaneously increasing funds available to low-income housing projects with allocated credits (i) with inefficient syndications and (ii) under construction but with cost overruns;

**WHEREAS**, said Notice of Public Hearing was published in the following newspapers on March 12, 2009: (i) *The Advocate*, Baton Rouge, Louisiana; (ii) *Alexandria Daily Town Talk*, Alexandria, Louisiana; (iii) *Daily Advertiser*, Lafayette, Louisiana; (iv) *The Times-Picayune*, New Orleans, Louisiana; *Shreveport Times*, Shreveport, Louisiana; (v) *Lake Charles American Press*, Lake Charles, Louisiana; (vi) *The News Star*, Monroe, Louisiana; and (vii) *The Houma Daily Courier*, Houma, Louisiana; and the public hearing was held on March 26, 2009; and

**WHEREAS**, the proposed amendment is required to be approved by the Agency and the Agency hereby desires to approve said amendment with such revisions to reflect comments received at the Public Hearing and from staff and members of the Board of Commissioners;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency, that:

**SECTION 1.** The Agency's staff and Tax Credit Counsel are hereby authorized and directed to revise 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans following approval by the Governor of the State or the Attorney General of the State to add the following language:

**ALLOCATIONS OF TREASURY GRANTS**

*Loan or Allocation of a portion of Treasury Grants Related to Projects with inefficient syndications in which the Taxpayer Voluntarily Returns to the Louisiana Housing Finance Agency All or a Portion of Allocated Credits: Inefficient Tax Credit Syndications are hereby deemed to be a pricing of 2007 and/or 2008 Tax Credit allocations for less than eighty cents (\$0.80) per tax credit dollar times ten (10). Tax Credits which are returned by a Taxpayer who submits a reprocessing application with respect to a project allocated credits under the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans in connection with Inefficient Tax Credit Syndications shall qualify for a loan or allocation of Treasury Grants in an amount at least equal to the equity evidenced in the most recent feasibility and viability review of the project but not more than an amount based upon a pricing of the returned credits priced at not more than eighty cents (\$0.80) if the Taxpayer's Project remains feasible and viable subject to satisfaction of the following conditions:*

(i) *Receipt from the Taxpayer of a complete revised electronic Project Application and a determination that the Project remains feasible and viable;*

(ii) *Receipt from the Taxpayer of a hold harmless and indemnification agreement acceptable to the Agency's general counsel and Tax Credit Counsel that includes specific language stating (i) the Taxpayer will have no recourse against the Agency for any damage or expense incurred by the Taxpayer or parties related to the Taxpayer in the course of being reprocessed for an allocation of a Treasury Grant and (ii) the terms and provisions of the Treasury Grant allocation to the Taxpayer shall be modified and/or amended to comply with any federal guidelines released by the U.S. Treasury Department; and*

(iii) Receipt of an opinion of tax counsel to the Taxpayer that the re-allocation of the Taxpayer's returned credits is permissible under the then existing federal income tax code and federal income tax regulations;

(iv) Receipt of confirmation from the syndicator that (i) the pricing of the Tax Credits to the Taxpayer was less than eighty cents (\$0.80) and (ii) the exchange of all or a portion of allocated credits for a loan or allocation of Treasury Grants is acknowledged and/or approved by the syndicator;

(v) Receipt of a copy of the proposed amended and restated ownership documents.

Upon satisfaction of the foregoing conditions, the Agency and Officers will be authorized and directed to enter into a binding agreement to loan or allocate all of a portion of the Treasury Grant obtained from the returned credits. All Taxpayers receiving Treasury Grant Funds will be required to enter into appropriate agreements with the LHFA in accordance with provisions of the Stimulus Bill in order for the LHFA to comply with its asset management functions.

Returned GO Zone Credits will be exchanged for Treasury Grant Funds to projects located in the GO Zone.

### **LOAN OR ALLOCATION OF CAPITAL FUNDS**

Loan of Capital Funds Related to Projects with Efficient Tax Credit Syndications:  
Efficient Tax Credit Syndications are hereby deemed to be a pricing of 2007 and/or 2008 Tax Credit allocations for not less than eighty cents (\$0.80) per tax credit dollar times ten (10). A Rural Project is any project for residential property located in a rural area (as defined in section 520 of the Housing Act of 1949). Taxpayers who submit a reprocessing application with respect to a project allocated credits under the 2007/08 GO Zone or Per Capita Credit Qualified Allocation Plans in connection with Efficient Tax Credit Syndications shall qualify for a loan of Capital Funds in an amount not greater than (i) \$250,000 for Rural Projects and (ii) \$1,000,000 for non-Rural Projects subject to satisfaction of the following conditions:

(i) Receipt from the Taxpayer of a complete revised electronic Project Application and a determination that the Project remains feasible and viable; and

(ii) Receipt from the Taxpayer of (A) a certification under penalties of perjury that (i) no other funds are available or required to complete the Project if an allocation of Capital Funds is made, (ii) no increase in Developer Fee or reduction of Deferred Developer Fee above that contained the prior Tax Credit application processed by the Agency has been included in the reprocessing application and (B) a hold harmless and indemnification agreement acceptable to the Agency's general counsel and Tax Credit Counsel that includes specific language stating (i) the Taxpayer will have no recourse

against the Agency for any damage or expense incurred by the Taxpayer or parties related to the Taxpayer in the course of being reprocessed for an allocation of a Capital Funds and (ii) the terms and provisions of the Capital Funds allocation to the Taxpayer shall be modified and/or amended to comply with any federal guidelines released by the U.S. Department of Housing and Urban Development.

*If federal regulations prohibit the monetization of GO Zone Credits, any Capital Funds awarded to GO Zone Projects will be rescinded and awarded to non-GO Zone Projects in rank order of such projects under the amended 2007/08 QAPs.*

*Capital Funds will be awarded on a competitive basis in accordance with the following ranking requirements:*

- |    |                        |           |
|----|------------------------|-----------|
| A. | Rural Projects:        | 50 points |
| B. | Readiness to Proceed:  | 45 points |
| C. | Projects Not Closed:   | 40 points |
| D. | Special Need Projects: | 35 points |
| E. | Elderly Projects:      | 30 points |

*Project scores under prior QAPs will be disregarded for the purpose of allocating Capital Funds in this funding initiative.*

**Readiness to Proceed:** Projects that have building permits and for which public infrastructure is currently available at or adjacent to the site.

**Environmental Clearance:** Any Applicant requesting Capital Funds must have previously completed a Phase I Environmental Assessment , in accordance with 24 CFR Part 58, and have received a Notice to Proceed from an appropriate approving federal or State agency.

**Other Compliance Requirements for Capital Funds:** Applicants are also reminded that the Davis-Bacon Act is also be triggered with the utilization of Capital Funds. Any applicant intending to apply for Capital Funds must submit by \_\_\_\_, 2009 evidence that the Environmental Assessment has been completed.

**GO Zone Projects:** Projects allocated GO Zone Credits will be allocated a de minimus amount of per capita credits to qualify for Capital Funds.

**SECTION 2.** The Chairman, Vice-Chairman, President, Vice-President and/or Secretary are hereby authorized to make such revision as may be necessary to accomplish the objectives of this resolution.

**SECTION 3.** This resolution shall become effective upon its adoption.

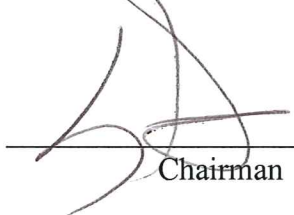
This resolution having been submitted to a vote, the vote thereon was as follows:

**YEAS:** Wayne W. Woods, Allison A. Jones, John Kennedy, J. Mark Madderra, Guy T. Williams, Mayson H. Foster, Michael L. Airhart, Tyrone A. Wilson, Joseph Scontrino, III, Katie Anderson, Jerome Boykin, Sr., Elsenia Young

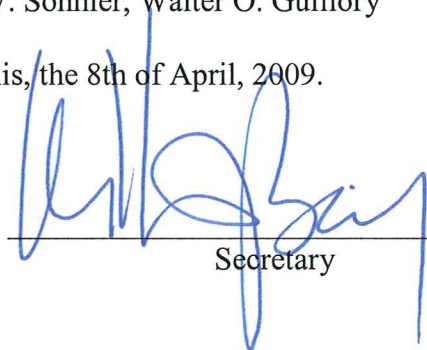
**NAYS:**

**ABSENT:** Robert Pernell, Susan W. Sonnier, Walter O. Guillory

And the resolution was declared adopted on this, the 8th of April, 2009.



Chairman



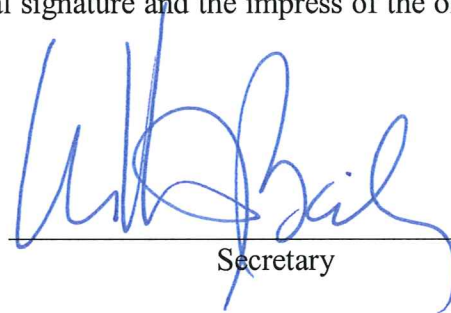
Secretary

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing five (5) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on April 8, 2009, entitled: "A resolution approving an amendment of the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans to take advantage of the provisions of the American Recovery and Reinvestment Act of 2009 (the "Stimulus Bill") to distribute competitively a portion of the Capital Funds and the Treasury Grants under the Stimulus Bill while simultaneously increasing funds available to low-income housing projects with allocated credits on a priority basis (i) first, with inefficient syndications and (ii) second, under construction with cost overruns; and providing for other matters in connection therewith."

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Agency on this, the 8th day of April, 2009.



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Secretary

(SEAL)